

SENATE BILL No. 1073

February 5, 2002, Introduced by Senator SMITH and referred to the Committee on Finance.

A bill to amend 1929 PA 312, entitled
"The metropolitan district act,"
by amending sections 4 and 5 (MCL 119.4 and 119.5).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. Each district incorporated under the provisions
2 ~~hereof~~ OF THIS ACT may provide in its charter FOR 1 OR MORE OF
3 THE FOLLOWING:

4 (a) For annually ~~laying~~ LEVYING and collecting taxes in a
5 sum not to exceed 1/2 of ~~1 per centum~~ 1% of the assessed value
6 of all real and personal property in the district.

7 (b) For borrowing money on the credit of the district in a
8 sum not to exceed ~~2 per centum~~ 2% of the assessed value of all
9 real and personal property in the district for the purpose of
10 acquiring, owning, purchasing, constructing, maintaining, or
11 operating parks or public utilities, for supplying sewage

1 disposal, drainage, water, or transportation, or any combination
2 ~~thereof: Provided, That any such~~ OF THESE. A district may
3 borrow money and issue bonds for any of the ~~above~~ purposes ~~or~~
4 ~~any combination thereof which~~ DESCRIBED IN THIS SUBDIVISION THAT
5 will impose no liability upon the district but ~~which~~ may be
6 paid and secured only by special assessment levied against each
7 parcel for the particular public improvement ~~herein provided~~
8 ~~for~~ and for the payment of ~~which~~ THE bonds THAT are issued.
9 ~~: Provided further, That any~~ A district incorporated under the
10 provisions ~~hereof~~ OF THIS ACT, may, for the purpose of acquir-
11 ing, owning, purchasing, constructing, or operating any public
12 utility ~~herein provided for~~ DESCRIBED IN THIS SUBDIVISION,
13 issue mortgage bonds ~~therefor, or any combination thereof, which~~
14 ~~said mortgage bonds~~ THAT may be issued beyond the general limit
15 of bonded indebtedness prescribed by this act. ~~: Provided, That~~
16 ~~such~~ A mortgage ~~bonds~~ BOND issued beyond the general limits of
17 bonded indebtedness shall not impose any liability upon the dis-
18 trict but shall be secured only upon the property and revenues of
19 ~~such~~ THE public utility, including the franchise, stating the
20 terms upon which, in case of foreclosure, the purchaser may oper-
21 ate the ~~same~~ PUBLIC UTILITY, which franchise shall in no case
22 extend for a longer period than 20 years from the date of ~~such~~
23 THE sale of ~~such~~ THE utility and franchise on foreclosure. ~~:~~
24 ~~And provided, That said~~ A mortgage bond shall be sold for not
25 less than par, bear interest at a rate not in excess of ~~6 per~~
26 ~~centum~~ 6%, and the total amount ~~thereof~~ shall not exceed ~~60~~
27 ~~per centum~~ 60% of the original cost of the utility. ~~: And~~

1 ~~provided further, That the~~ THE charter of any ~~such~~ district
2 shall provide for the creation of a sinking fund by setting aside
3 ~~such~~ A percentage of the gross or net earnings of the public
4 utility as may be deemed sufficient for the payment of the mort-
5 gage bonds at maturity.

6 (c) For a lien on any property and for taxes for the payment
7 of any bonds issued or for the cost and expense of making any
8 improvement ~~herein provided for~~ DESCRIBED IN THIS SECTION.

9 (d) For laying and collecting rents, tolls and excises.

10 (e) For a special assessment district to provide for the
11 cost and expense of any park or public utility, or combination
12 ~~thereof~~ OF A PARK AND PUBLIC UTILITY, ~~herein provided for~~ AS
13 PROVIDED IN THIS SECTION.

14 (f) For the purchase or condemnation of the franchises, if
15 any exist, and of the property used in the operation of companies
16 or individuals engaged in or operating public utilities for sup-
17 plying sewage disposal, drainage, water, or transportation, or
18 any combination ~~thereof~~ OF THESE. ~~And each~~ EACH district may
19 in its charter provide that it may make a contract upon ~~such~~
20 THE terms, including terms of present or deferred payment and
21 upon ~~such~~ THE conditions and in ~~such~~ THE manner as the dis-
22 trict may ~~deem~~ CONSIDER proper, to purchase, operate, and main-
23 tain any existing public utility property for supplying sewage
24 disposal, drainage, water, or transportation, or any combination
25 ~~thereof~~ OF THESE within or without its limits. ~~if~~ IF with-
26 out its limits, ~~then such~~ THE purchase must be incidental to
27 the operation and maintenance of ~~such~~ THE public utility. ~~No~~

1 ~~such~~ A contract shall NOT bind the district unless the
 2 proposition ~~therefor~~ ON THE CONTRACT shall receive the affirma-
 3 tive vote of 3/5 of the electors voting ~~thereon~~ ON THE
 4 PROPOSITION at a regular or special election. In the event of
 5 any such purchase, the charter amendment and the contract to pur-
 6 chase shall provide for the creation of a sinking fund, into
 7 which shall be paid from time to time, from the earnings of the
 8 utility, sums sufficient to insure the payment of the purchase
 9 price and the performance of the obligations of ~~said~~ THE con-
 10 tract to the end that the entire cost of ~~such~~ THE public util-
 11 ity shall eventually be paid from its earnings. The powers in
 12 this subdivision ~~contained shall be~~ ARE in addition to the
 13 OTHER powers provided for in ~~the other subdivisions of this act~~
 14 ~~and particularly this section,~~ and the exercise ~~thereof~~ OF
 15 THESE POWERS shall not impair or affect the right to exercise any
 16 ~~of the~~ OTHER powers. ~~in the other subdivisions of this section~~
 17 ~~conferred.~~

18 (g) For the purchase, gift, or condemnation of private prop-
 19 erty for any public use or purpose ~~herein~~ provided for and
 20 within the scope of its power. If by condemnation, the provi-
 21 sions of ~~Act 149 of the Public Acts of Michigan, approved March~~
 22 ~~twenty-fifth, 1911, entitled "An act to provide for the condemna-~~
 23 ~~tion by state agencies and public corporations of private prop-~~
 24 ~~erty for the use or benefit of the public, and to define the~~
 25 ~~terms 'public corporations', 'state agencies' and 'private~~
 26 ~~property' as used herein"~~ 1911 PA 149, MCL 213.21 TO 213.25, or
 27 ~~such~~ other appropriate provisions ~~therefor as exist or shall~~

1 ~~be made by law~~ may be adopted ~~—~~ and used for the purpose of
2 instituting and prosecuting ~~such~~ condemnation proceedings.

3 (h) For the initiative and referendum on all matters within
4 the scope of its powers and for the recall of all its officials.

5 (i) For altering, amending, or repealing any charter affect-
6 ing the district.

7 (j) For the enforcement of all ~~such~~ local, police,
8 sanitary, and other regulations as are not in conflict with THE
9 general laws OF THIS STATE.

10 (k) For a system of civil service.

11 (l) For the exercise of all district powers in the manage-
12 ment and control of district property and in the administration
13 of metropolitan district government, whether ~~such~~ THE powers
14 ~~be~~ ARE expressly enumerated or not. ~~— for~~ FOR any act to
15 advance the interest of the district ~~—~~ AND the good government
16 and prosperity of the district and to pass all laws and ordi-
17 nances relating to its concerns subject to the constitution and
18 general laws of ~~the~~ THIS state. ~~— Provided, That the~~ THE
19 power to acquire a rapid transit system is expressly conferred by
20 this act, which may consist of a tunnel, subway, surface, or ele-
21 vated system, or any combination ~~thereof and said~~ OF THESE. A
22 rapid transit system shall be ~~deemed~~ CONSIDERED to be transpor-
23 tation within the meaning of this act and the provisions ~~hereof~~
24 relating to other public utilities shall ALSO apply. ~~thereto.~~

25 (M) A REVENUE BOND ISSUED UNDER THIS ACT IS SUBJECT TO THE
26 REVENUE BOND ACT OF 1933, 1933 PA 94, MCL 141.101 TO 141.140.
27 ALL BONDS ISSUED UNDER THIS ACT, OTHER THAN REVENUE BONDS, ARE

1 SUBJECT TO THE REVISED MUNICIPAL FINANCE ACT, 2001 PA 34,
 2 MCL 141.2101 TO 141.2821.

3 Sec. 5. ~~No~~ A district shall ~~have power~~ NOT DO ANY OF
 4 THE FOLLOWING:

5 (a) ~~To change~~ CHANGE the salary or emoluments of any
 6 public official after his OR HER election or appointment or
 7 during his OR HER term of office. ~~nor shall the~~ THE term of
 8 any public official SHALL NOT be shortened or extended beyond the
 9 period for which he OR SHE was elected or appointed, unless he
 10 ~~resign or be~~ OR SHE RESIGNS OR IS removed for cause ~~where~~
 11 ~~such~~ IF THE office is held for a fixed term.

12 (b) ~~To adopt~~ ADOPT a charter or any amendment ~~thereto~~ TO
 13 A CHARTER unless approved by a majority of the electors of each
 14 city, village, or township, voting on ~~such~~ THE charter or
 15 amendment. ~~to sell~~

16 (C) SELL any public utility unless approved by a majority
 17 vote of the electors of each city, village, or township voting on
 18 ~~such~~ THE proposition.

19 (D) ~~(c) To make~~ MAKE any contract with, or give any offi-
 20 cial position to, anyone who is in default to the district or
 21 city, village, or township comprising ~~same~~ THE DISTRICT.

22 ~~(d) To issue any bonds without providing a sinking fund to~~
 23 ~~pay them at maturity, but no sinking fund shall be required in~~
 24 ~~the case of serial bonds which fall due annually.~~

25 (e) To repudiate any debt by any change in its charter or by
 26 consolidation with any other municipality.